

United States
Department of
Agriculture**Agriculture, Rural Development,
Food and Drug Administration, and
Related Agencies Appropriations Act, 2000**

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, was signed into law by President Clinton October 22, 1999. Funds authorized by the new legislation include the following:

- \$25 million for emergency disaster loans;
- \$5.5 billion for supplemental payments to commodities producers;
- \$125 million for additional payments to dairy producers;
- \$1.2 billion for crop loss assistance, under a program similar to the single year crop loss disaster assistance program of 1998;
- \$328 million in payments to tobacco producers;
- A doubling of the payment limitation for loan deficiency payments and marketing loan gains from \$75,000 to \$150,000, applicable only to the 1999 crop year;
- \$475 million in payments to oilseed producers, based on 1997 or 1998 production, except for new producers and;
- \$200 million for livestock producers for losses resulting from natural disasters.

Other Provisions

In addition, the legislation provides for a 1-year crop insurance buy-up incentive, 1-year recourse loan programs for honey and mohair, and a 1-year extension of the dairy support program. Provisions also include funding for the Dairy Indemnity Program, the resumption of Step II payments for cotton handlers, and the elimination of the sugar marketing assessment.

Farmers also now have greater flexibility in the timing of receiving their PFC payments. Those who do not choose a payment option will receive their full payment near the end of FY 2000, which began October 1, 1999, and ends September 30, 2000.

A Livestock Assistance Program (LAP) will be implemented to provide grazing loss assistance through direct payments based on supplemental feed needs. A Livestock Indemnity Program (LIP) will be implemented to provide relief to producers whose livestock perished due to natural disaster.

\$475 million was authorized for producers of oilseeds, including soybeans. The program will provide payments to farmers who produced oilseeds in 1999, but the benefits are based on their

production in 1997 or 1998 (or 1999 for new producers). Because of provisions included by the Congress, the program will require farmers to sign up for benefits.

The 2000 Act also includes provisions for:

- \$400 million for a one-year crop insurance buy-up incentive;
- A one-year recourse program for honey;
- A one-year recourse program for mohair;
- A one-year extension of the dairy support program;
- Funding for the Dairy Indemnity Program;
- Funding for Step II payments for cotton handlers;
- The elimination of the sugar marketing assessment;
- A one-year increase in the payment limitation for Loan Deficiency Payments (LDP) and Marketing Loan Gains (MLG) from \$75,000 to \$150,000.
- Providing \$30.50 per ton in support payments for quota peanuts, and \$8.75 in payments for additional peanuts.

Fact Sheet

*Agriculture, Rural Development,
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**When Will the New Assistance
Become Available?**

The majority of the income assistance payments - \$5.5 billion in supplemental PFC payments - began October 25, 1999, and should be completed in the next few weeks. With the exception of the oilseeds payments, almost all income assistance payments will be made before the end of the year. These comprise 79% of total payments in the package.

Most disaster assistance payments, such as crop loss disaster assistance, will be made early in the new year. This is because those programs require a sign-up period and a determination of eligibility.

Funds for emergency farm loans are extremely limited, and will probably be depleted before the new year.

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